



Affordable Housing and Special Needs Housing Programs

Input Sessions

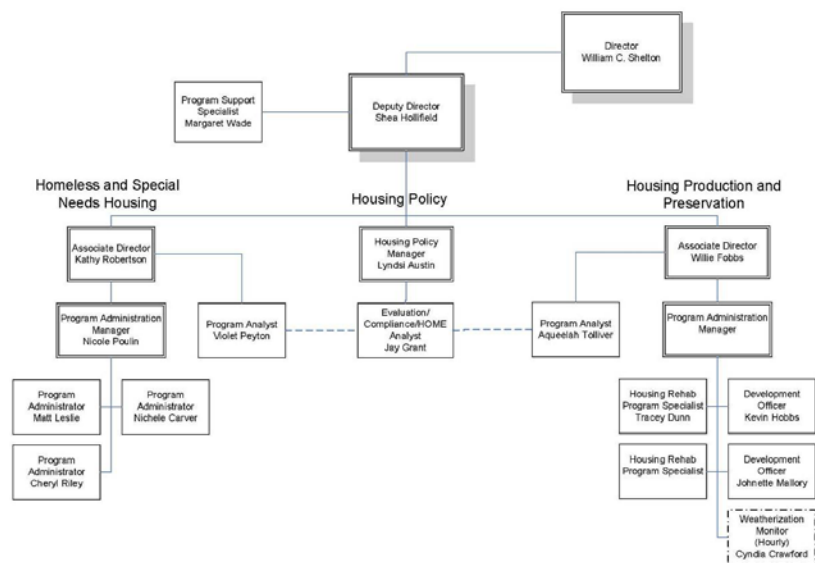
January – February 2008

Virginia Department of Housing and Community Development



Organizational Chart

Department of Housing and Community Development
Division of Housing



Virginia Department of Housing and Community Development



Introduction

- ❑ Statewide feedback
- ❑ Input Sessions
 - ❑ January 31, 2008 (Hampton)
 - ❑ February 5, 2008 (Richmond)
 - ❑ February 12, 2008 (Wytheville)
 - ❑ February 14, 2008 (Fredericksburg)
- ❑ Online Survey
- ❑ Review of program data
- ❑ Review of community needs
- ❑ Program design modifications (as needed)
- ❑ Program implementation



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Community Conditions

Major Factors

- ❑ Growing number of households living in poverty
- ❑ Growing number of households spending too much of their incomes on housing expenses
- ❑ Possible fall out from housing market down turn
 - ❑ Greater foreclosure rates
 - ❑ Implications for jobs and wages
- ❑ Limited supply of affordable housing
- ❑ Limited supply of affordable housing for special needs populations
- ❑ Limited funding

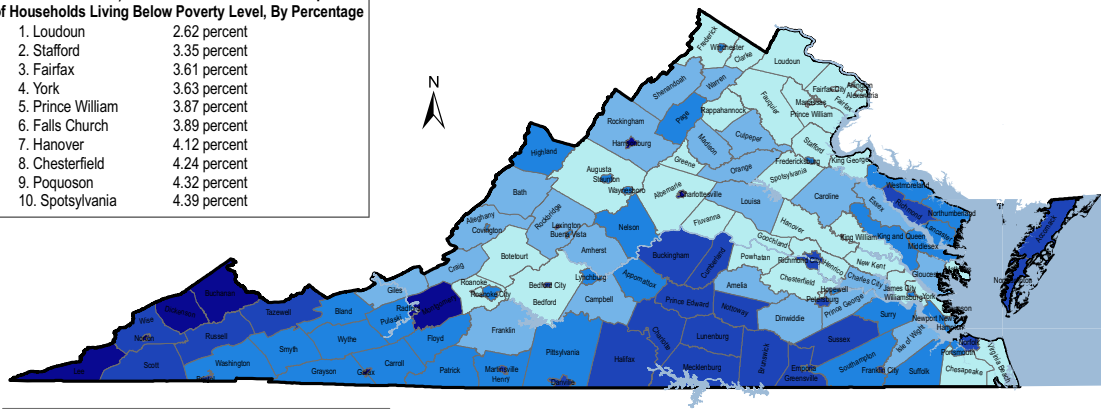
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Percent of Virginia Households Below Poverty in Year 2000

Source: Census 2000

(From 2000 Census) Jurisdictions with Lowest Proportion of Households Living Below Poverty Level, By Percentage

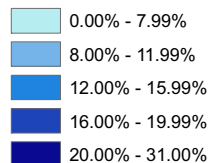
1. Loudoun	2.62 percent
2. Stafford	3.35 percent
3. Fairfax	3.61 percent
4. York	3.63 percent
5. Prince William	3.87 percent
6. Falls Church	3.89 percent
7. Hanover	4.12 percent
8. Chesterfield	4.24 percent
9. Poquoson	4.32 percent
10. Spotsylvania	4.39 percent



(From 2000 Census) Jurisdictions with Highest Proportion of Households Living Below Poverty Level, By Percentage

1. Radford	30.57 percent
2. Harrisonburg	26.48 percent
3. Lee	25.36 percent
4. Buchanan	23.88 percent
5. Norton	23.29 percent
6. Charlottesville	22.74 percent
7. Lexington	22.49 percent
8. Dickenson	22.41 percent
9. Montgomery	22.14 percent
10. Galax	20.42 percent

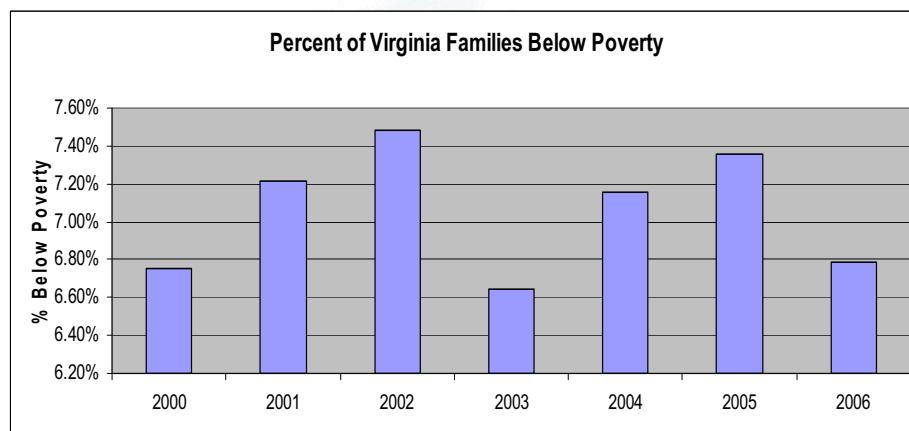
Percent of Households Below Poverty Level, 2000



Updated: October 19, 2007



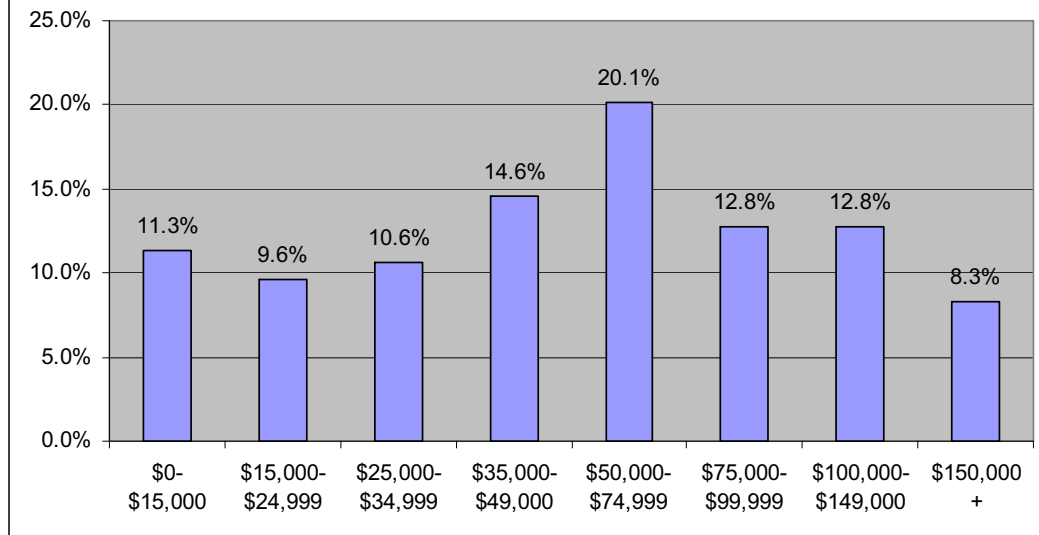
Percent of Virginia Families Below Poverty



- From 2000 to 2006, 76.9% of Virginia families living below poverty were families with children < age 18.
- This amounts to 103,229 families with children out of an average of 134,134 families below poverty each year.
 - Percentage of families living below poverty with children varied only slightly each year (from 76% to 78%).



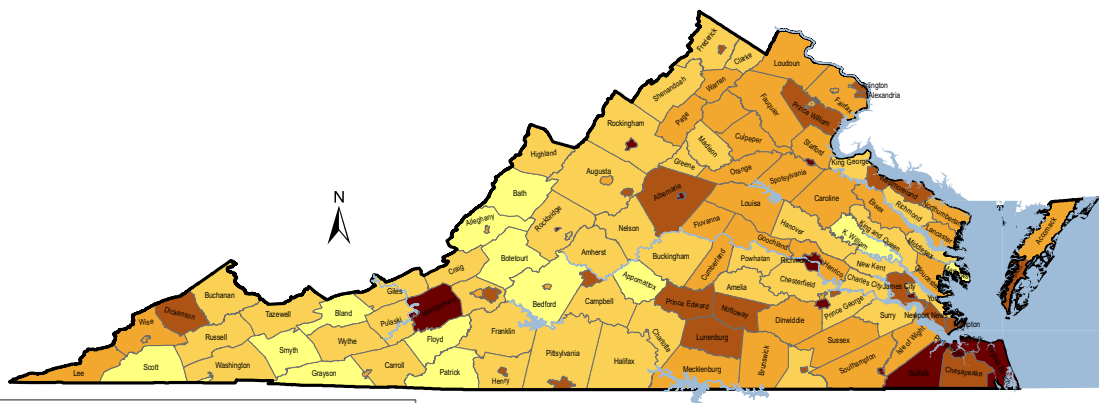
**Percentage of Virginia Households by Income
(2006 Estimate)**



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**Percentage of Virginia Households Expending
30 Percent or More of Household Income
on Housing Expenses, Year 2000**

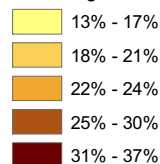
Source: Census 2000



**Selected Jurisdictions and Corresponding Proportion of
Households Expending 30 Percent or More of Income on Housing**

Norfolk	35 Percent
Richmond City	34 Percent
Montgomery	33 Percent
Suffolk	31 Percent
Virginia Beach	31 Percent
Alexandria	27 Percent
Albemarle	26 Percent
Arlington	26 Percent
Prince William	26 Percent

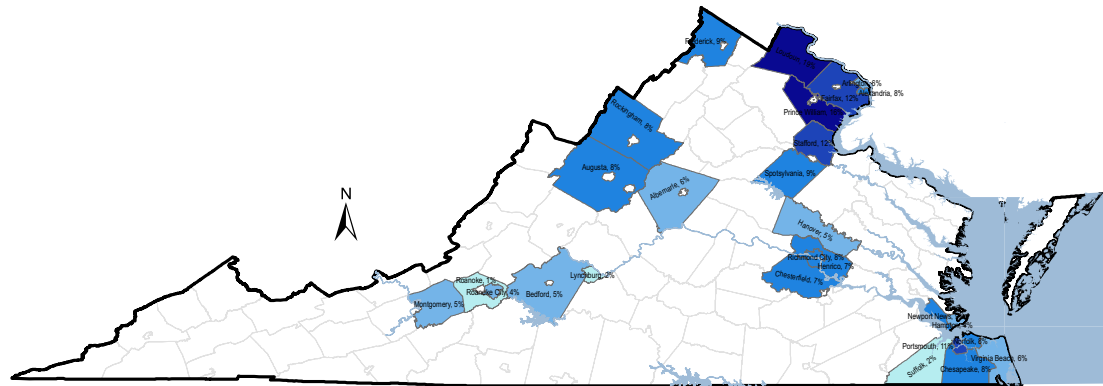
Percentage of Households Spending 30% of Income or More on Housing



Updated: October 17, 2007

Proportion Increases by City/County of Virginia Households Expending 30 Percent or More of Household Income on Housing Expenses, From 2000 to 2006

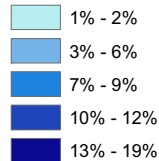
Source: Census 2000, Year 2006 Estimates



(From Available 2006 Census Estimates) Jurisdictions with Highest Increase in Proportion of Households Expending 30 Percent or More of Household Income on Housing

1. Loudoun	19 percentage point increase
2. Prince William	16 percentage point increase
3. Fairfax	12 percentage point increase
4. Stafford	12 percentage point increase
5. Portsmouth	11 percentage point increase
6. Frederick	9 percentage point increase
7. Spotsylvania	9 percentage point increase
8. Newport News	9 percentage point increase
9. Augusta	8 percentage point increase
10. Rockingham	8 percentage point increase

Increase in Percentage



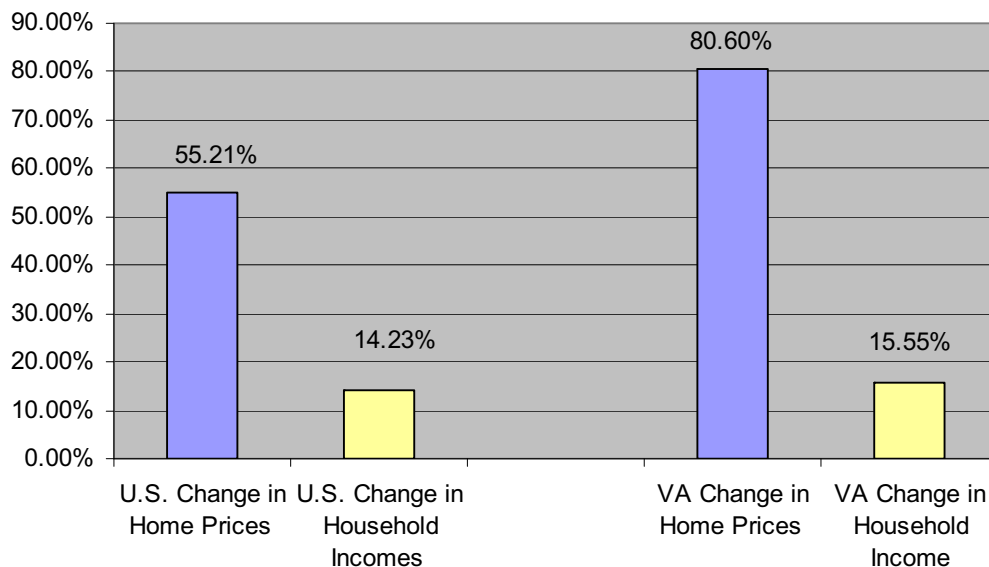
(Estimate Not Available for 2006)



Updated: October 17, 2007



Home Prices and Income (2000-2005 Change)





Fair Market Rent in Virginia

- ❑ Virginia fair market rent (FMR) in 2007 (two-bedroom apartment): \$891
- ❑ A household must earn \$2,968 monthly to afford this level of rent and utilities without paying over 30 percent of income on housing.
- ❑ This would be \$35,622 annually.
- ❑ This translates to a housing wage of \$17.13/hour.



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DHCD-Administered Homelessness Prevention and Intervention Program 2006-2007 Program Year		
Program	Source	2006-2007 Allocation
<i>Prevention Activities</i>		
Homeless Intervention Program (HIP)	State TANF	\$4,500,000 (State) \$821,467 (TANF)
HOME Investment Partnership	Federal -HUD	\$14,519,314
Indoor Plumbing Program	State	\$5,000,000
Housing Opportunities for Persons with Aids	Federal -HUD	\$618,000
Weatherization and Low-income Home Energy Assistance	DOE DSS	\$4,416,209 (DOE) \$5,724,846 (DSS)
Emergency Home Repairs	State	\$352,725
<i>Intervention Activities (Homelessness)</i>		
State Shelter Grant (SSG)	State TANF	\$2,559,187 (State) \$3,226,705 (TANF)
Emergency Shelter Grant (ESG)	Federal -HUD	\$1,571,410
Child Care Services Coordinator Grant (CCSCG)	State TANF	\$500,000 (State) \$576,250 (TANF)
Child Care for the Homeless Children Program (CCHCP)	DSS	\$300,000

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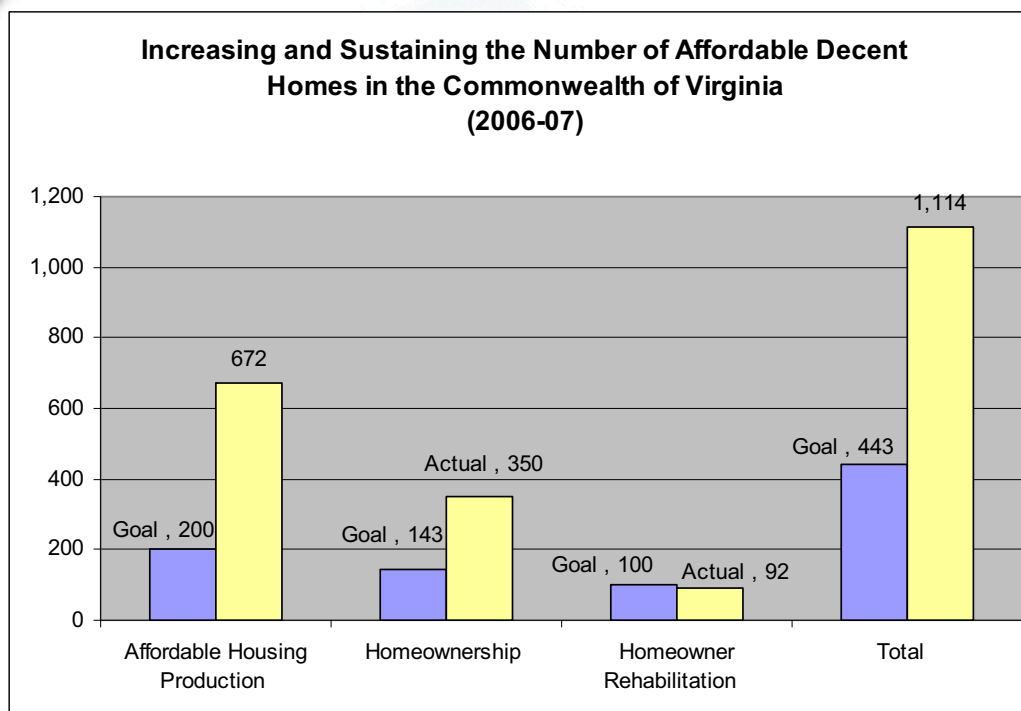
DHCD's HOME 2007-08 Allocations

Anticipated Resources	
DHCD's 2007 HOME Allocation	\$ 13,498,170
Anticipated Program Income	\$300,000
Reprogrammed Administrative Funding	\$1,500,000
American Dream Downpayment Initiative (ADDI)	\$274,384
Total	\$15,572,554
Affordable Housing (housing development)	\$4,000,000
Special Needs Housing	\$2,000,000
Homeownership (including ADDI)	\$3,462,554
Indoor Plumbing and Rehabilitation	\$5,000,000
Community Integration Pilot	\$100,000
CHDO Operating	\$100,000
HOME Match	\$600,000
State Administration	\$310,000
Total	\$15,572,554

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DHCD's HOME Investment Results

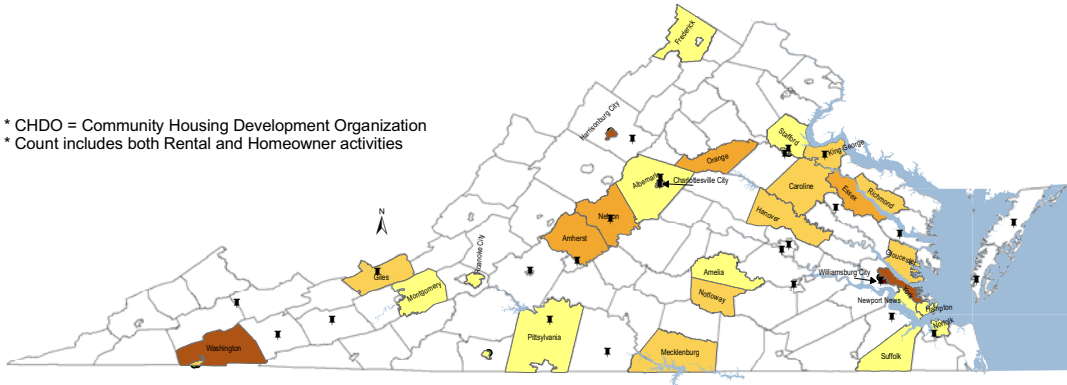


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Statewide HOME-Eligible CHDO Activity

Current as of September 2007

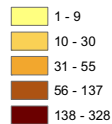
* CHDO = Community Housing Development Organization
* Count includes both Rental and Homeowner activities



Ten Jurisdictions With Most CHDO Activity

1. Williamsburg City	328 units
2. York County	137 units
3. Washington County	117 units
4. Harrisonburg City	86 units
5. Amherst County	55 units
6. Charlottesville City	45 units
7. Essex County	40 units
8. Orange County	40 units
9. Nelson County	34 units
10. Gloucester County	30 units

Number of Units Planned or Underway by CHDOs



CHDO Base of Operations

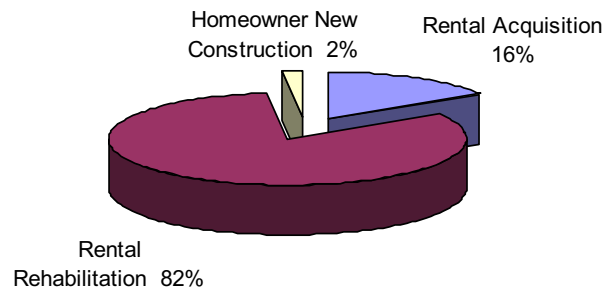


Modified September 24, 2007



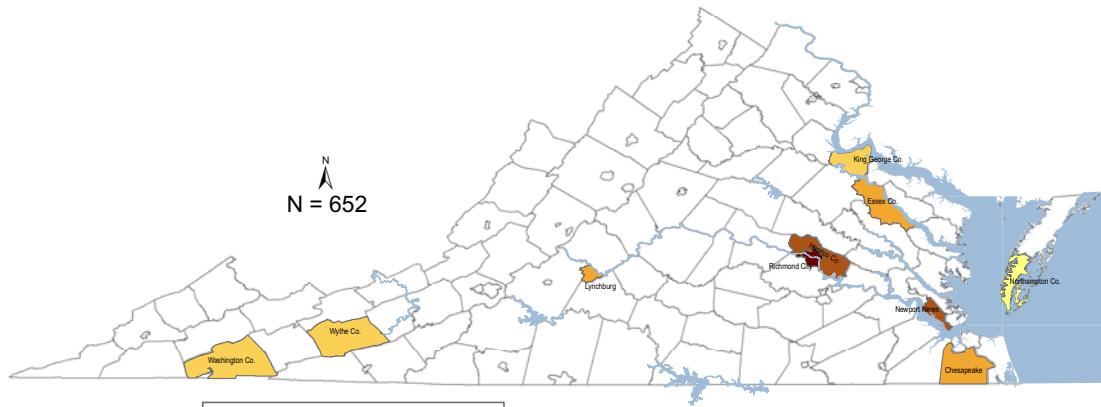
DHCD's HOME Investment Results

Affordable Housing Preservation and Production Program Units by Type (2006-07)



DHCD HOME-funded Rental Units Completed

Between July 1, 2006 and June 30, 2007



Five Locations With Most HOME Rental Units Completed

1. Richmond City 226 Units
2. Newport News 148 Units
3. Henrico County 108 Units
4. Chesapeake 40 Units
5. Lynchburg 34 Units

Number of Rental Units Completed

- 7 or fewer
- 8 - 24
- 25 - 40
- 41 - 148
- 149 - 226



Modified September 24, 2007



Program Parameters

- Typically permanent financing at three percent interest (gap financing)
- Must have a minimum of five units and must be under common ownership, management, and financing
- DHCD invests the least amount of HOME funding to make the project viable
- The minimum investment per unit is \$7,500 but may not exceed the actual costs or the (221)(d)(3) limits as established by HUD



Program Parameters

- ❑ Assistance can not be used for project-based rental assistance
- ❑ Only state-certified CHDOs may undertake homebuyer development activities
 - ❑ (If used to acquire land, construction must begin within 12 months from commitment date)
- ❑ Minimum design, construction, and rehab standards
- ❑ 25% match requirement for projects in entitlement areas



Program Parameters

- ❑ Affordability requirements
 - ❑ Affordability period is based on total HOME subsidy
 - ❑ < \$15,000 = 5 year affordability period
 - ❑ \$15,000 – 40,000 = 10 year affordability period
 - ❑ Over \$40,000 = 15 year affordability period
 - ❑ If rental new construction, the affordability period is 20 years
- ❑ Income targeting requirements
 - ❑ Homebuyer (60 percent at or below 60 percent AMI, remaining okay at 80 percent or below AMI)
 - ❑ Rental (20 percent must be at or below 50 percent AMI, the remaining okay at or below 60 percent AMI)

Please give us feedback/comments/suggestions.



Fund Distribution Process

- ❑ Statewide, but priority given to non-HOME entitlement areas
- ❑ **Quarterly Application Process (new for 2007-08)**
 - ❑ October 15, 2007
 - ❑ December 28, 2007
 - ❑ March 31, 2008
 - ❑ June 30, 2008
- ❑ **Proposals are reviewed based on:**
 - ❑ Meeting critical needs—worth 50 points
 - ❑ Feasibility (likelihood of projects coming to a timely completion) —worth 30 points
 - ❑ Developer capacity (ability to successfully complete projects and deliver affordable housing) —worth 20 points

Please give us feedback/comments/suggestions.



Recent Program Changes

- ❑ Effective this summer, the Affordable Housing and Special Needs program changed its funding structure from one which accepted open submissions for funding to one which requires developers to submit quarterly competitive applications for funding
- ❑ DHCD modified the application process to ensure that the resources we provide are given to the most competitive projects
- ❑ The new competitive scoring and ranking process positions proposals based on housing needs, feasibility, and on the capacity of the organization submitting the proposal
 - ❑ Developers may submit proposals on a quarterly basis
- ❑ The program has traditionally provided about \$4.0 million in affordable housing production funds to developers each year
- ❑ With the new program modifications to this program, DHCD will provide funding in the amount of \$6.0 million to help with the transition

Please give us your feedback on these changes.



Possible Program Changes

- ❑ Bonus for green building
- ❑ Bonus for universal design components (proposal review criteria)
- ❑ Stricter reporting requirements (negative point on proposal review for missing /inaccurate/tardy reporting)
- ❑ Increase in minimum of \$7,500 per unit investment
- ❑ Considering restrictions to the amount any one entity can receive in any one program year

Please give us your feedback on these changes.

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Additional Information

Input Session Schedules

- **HIP/HOPWA** – 12/4/07, 12/10/07, and 12/11/07
- **ESG/SSG** – Week of 1/14/08 – 1/21/08
- **Weatherization/LIHEAP** – 1/16/08
- **Emergency Home Repairs** – 1/16/08
- **Affordable Housing, Special Needs Programs, and Homeowner Assistance** – 1/31/08, 2/5/08, 2/12/08, 2/13/08, and 2/14/08

Online Survey

- This survey will be made available on DHCD's website for continued input.

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